

REMARKS/ARGUMENTS

At the outset, we thank the Examiner for noting that claims 5 and 7-10, though objected to, would be allowable if rewritten in independent form including the limitations of the base claim and any intervening claims. Applicants respectfully defer rewriting these claims in independent form until after the Examiner has had the opportunity to consider this amendment, and the remarks that follow.

Claims 1 through 11 are pending, and have been examined. Claims 1 through 11 have been rejected as being directed to non-statutory subject matter. Additionally, claims 1 through 4 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 6,000,832 (“Franklin”), and claims 6 and 11 were rejected under 35 U.S.C. § 103(a) as being obvious over Franklin in view of U.S. Patent 5,991,412 (“Wissenburgh”).

Applicants have amended claim 6 to explicitly claim a feature that was inherent in that claim as previously written. This amendment does not in any way narrow the previous scope of claim 6.

For the reasons set forth below, Applicants respectfully traverse the Examiner’s rejections, and request reconsideration and allowance of the pending claims.

I. The Pending Claims Are Directed To Patentable Subject Matter

Applicants respectfully, but earnestly, disagree with the Examiner’s assertion that the present claims are not directed to statutory subject matter. Applicants also respectfully disagree with the Examiner’s suggestion that in order to claim patentable subject matter, the pending claims should be amended to recite hardware.

Section 2106, subsection IV of the Manual of Patent Examining Procedure (“MPEP”) addresses the question of whether a claimed computer-related invention is directed to statutory subject matter. In paragraph (A)(2)(b)(ii) of that subsection, the MPEP clearly states that a software process claims statutory subject matter if it is limited to a practical application. In that same section, the MPEP explains that a claim is limited to a practical application when the

method, as claimed, produces a concrete, tangible and useful result; *i.e.*, the method recites a step or act of producing something that is concrete, tangible and useful.

MPEP, § 2106(IV)(A)(2)(b)(ii) offers the following example of what would be considered statutory subject matter: a digital filtering process for removing noise from a digital signal comprising the steps of calculating a mathematical algorithm to produce a correction signal and subtracting the correction signal from the digital signal to remove the noise. It is notable that this example -- which comes straight from the MPEP -- includes no mention of hardware. There is, in fact, no requirement in either statute or case law in the United States that a claimed computerized process recite hardware in order to be deemed statutory. The only requirement is, as explained above, that the claimed method produce a concrete, tangible and useful result.

The pending claims meet this requirement, even without a hardware limitation. They recite a computerized method of conducting an electronic funds transaction over a public communications network that produces an electronic funds transaction. An electronic funds transaction is certainly a “concrete, tangible and useful” result having practical utility. It is respectfully submitted that the pending claims meet the requirements of Section 101 as they are currently written, and it is respectfully requested that the rejection of the pending claims as being directed to nonstatutory subject matter should be withdrawn.

II. Claims 1 through 4 Are Not Anticipated By Franklin

The Examiner asserts that independent claim 1 is anticipated by Franklin. The Applicants respectfully disagree.

Claim 1 recites steps that, among other things, require a “check site.” More particularly, claim 1 requires:

forwarding said authorization request message over said payment network to said check site for verifying the authenticity of said message authentication code; [and]

verifying the message authentication code by said check site using said secret key . . .

A check site is not the same as an acquirer or issuer site. Far from equating these terms, the specification clearly distinguishes between a check site, an issuer, and an acquirer:

Authorization request messages and authorization response messages for the special payment account numbers are routed through the payment network 16 to the Check Site 18 based on the special BINs of the account numbers. To that end, for example, the computers of acquirer and issuing institutions that interface with the payment network 26 may contain look-up tables indicating that the special BINs correspond to the Check Site 18. The computer or computers of the Check Site 18 that interface with the payment network, however, would contain look-up tables indicating the issuers that correspond to the special BINs.

Specification, para. [0026].

Thus a “check site,” as claimed, is linked to the payment network, verifies the authenticity of the MAC using the secret key, and is distinct from an issuer’s or acquirer’s site.

Franklin neither discloses nor suggests a check site that verifies the authenticity of the MAC using the secret key, as is required by claims 1 through 4. In Franklin, it is the issuing bank, not a check site, that verifies the authenticity of the MAC. Col. 5, ln. 63 – Col. 6, ln. 12. In fact, in Franklin, there is no mention whatsoever of a check site that is distinct from the issuing bank.

It is respectfully submitted that Franklin does not anticipate claims 1 through 4, and that the rejection of those claims under Section 102 should be withdrawn.

III. Claims 6 and 11 Are Not Obvious Over Franklin In View Of Wissenburgh

The Examiner asserts that independent claim 6, and claim 11 which depends from it, are obvious over the combination of Franklin and Wissenburgh. Applicants respectfully disagree for two reasons.

First, as was already explained in connection with claims 1 through 4, Franklin fails to disclose or suggest a “check site,” which is a requirement of both claims 6 and 11. Wissenburgh does not cure this deficiency in Franklin, and in any case was not cited by the Examiner as so doing. It is respectfully submitted that the combination of Franklin and Wissenburgh fails to disclose or suggest a “check site,” and thus does not render obvious claims 6 and 11.

In addition, the combination of Franklin and Wissenburgh fails to disclose or suggest “an expected transaction number,” as required by amended claim 6 and its dependent claim 11. More particularly, neither Franklin nor Wissenburgh, whether alone or in combination, discloses or suggests the steps of:

- (d) verifying said MAC; [and]
- (e) based on said verification, and based on a transaction sequence number associated with the electronic transaction, creating an expected transaction sequence number (ETSN) for said MAC;

The Examiner asserts that Franklin’s teaching of “a temporary transaction number that is specific to a single transaction” (*see* Franklin at Col. 5, lns. 36-39) reads on the presently claimed “expected transaction sequence number.” Applicants respectfully disagree.

The temporary transaction number disclosed by Franklin consists of the customer account number and embedded MAC. *Id.* By contrast, the “expected transaction sequence number” of claims 6 and 11 are based on verification of the MAC, and on a transaction sequence number. The specification offers the following example:

If the MAC is verified, this system increments the transaction sequence number (it maintains) to create the “expected transaction sequence number” (ETSN) . . .

Specification at para. [0065]. Nowhere in Franklin is an “expected transaction sequence number,” that is distinct and separate from the MAC, that is in fact based on the verification of the MAC and further based on a transaction sequence number, either disclosed or suggested.

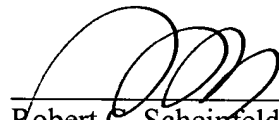
Wissenburgh also fails to disclose or suggest an “expected transaction sequence number,” as required by claims 6 and 11. Wissenburgh discloses assigning a different random number for each transaction to prevent fraud, *i.e.*, to prevent “that a transaction be imitated through replay. *See* Col. 1, lns. 50-66. By contrast, the “expected transaction sequence number” of claims 6 and 11 is not a random number, but a number that is created based on the verification, and based on a transaction sequence number associated with the electronic transaction.

It is respectfully submitted that Franklin and Wissenburgh, whether alone or in combination, fail to render obvious claims 6 and 11, and that the rejection of these claims under Section 103 should be withdrawn.

VI. Conclusion

For at least the reasons set forth above, Applicants respectfully submits that all the presently pending claims are in condition for immediate allowance. In the event that the present application is not deemed to be in condition for allowance, the Examiner is invited to contact the undersigned in an effort to advance the prosecution of this application.

Respectfully submitted,



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